

RESTRICTED

AIR MAIL

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 20, 1939.

(No. 1)

RECEIVED 6/2 W. D. JUL 1 1939

1. FOREIGN ASSOCIATIONS.

In order not to bring any diplomatic representations from Germany and Italy, the recent Government decree regulating foreign associations brought all organizations of foreign residents within its scope. The first article of the decree states that "All associations ..... shall inform the Ministry of the Interior and the Chiefs of Police of their various districts, their denominations, their purposes, their rules and regulations and their membership giving Christian and surnames, age, whether married or single, profession, nationality, and address". This has resulted in social clubs like the American Club having to submit personal details of all its members. Also, the local post of the American Legion thought at first that it would be wise to disband (although its members do not wear uniforms) but later it was decided to continue for the time being and await developments. There has been a considerable debate in the Chamber of Deputies on Nazi activities as brought about in the recent police investigation (reported at the time) and a legislative investigation of the subject is being considered.

2. GOES MONTEIRO VISIT TO U.S. Considerable space has been and is being given to the visit of Chief of Staff General Goes Monteiro of Brazil to the United States, although newspaper editorial comment has been lacking. In this connection it might be pointed out that although Brazil is the largest country territorially in South America, and has the largest population, the people of Argentina have always considered their country at the head of civilization in the continent. Often, in a sarcastic spirit, some of the less sedate of the local press refers to the Brazilians as "macacos" or "monkeys" in plain English. At the present time in Argentina the Air Mission from the United States Army Air Force has been successful in turning the eyes of the army aviation away from Europe and toward the United States. If high ranking Argentine Army officers were given an opportunity to visit, in an official capacity, the United States it would undoubtedly be of benefit to the relations between the two countries. It is known, confidentially, that the German Government has been considering inviting the Argentine Chief of Staff and some other officers to Germany for the Fall maneuvers, and the Embassy here has put out feelers to find if such an invitation would be accepted (in view of the recent revelations of Nazi spy activities here). G-2, it is reported on good authority, in reply to such feelers is stated to have said that it could give no indication as to whether such an invitation would be accepted before it was tendered. It is reported here from Brazil that Foreign Minister Oswaldo Aranha stated to the Germans that as long as Brazil had no ambassador in Berlin it would not be proper for the Chief of Staff or other officers to make an official visit to Germany.

3. ARGENTINE POPULATION.

Nearly half the entire population of Argentina lives in the Federal Capital and the contiguous province of Buenos Aires, according to statistics compiled by the National Statistical Department for December 31, 1938, which have just been published. It should be noted that there has been no general census taken in the country since 1915-16, and all figures issued since then are based on vital statistics and emigration and immigration figures. The total population estimated at the end of 1938 was 12,958,217; of these, 2,345,221 lived in the Federal Capital, and 3,453,561 in Buenos Aires province. Great Britain and the United States sent fewer citizens to Argentina in 1938 than the number returning home, practically all other nations increased. The same report shows that in the city of Buenos Aires at the end of the last calendar year 58,475 women had jobs, 2,791 as office employees and 55,684 in industrial establishments.

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4. ARMY RETIREMENTS.

"La Nacion," one of the two leading morning dailies in Argentina, believes that too many officers of the army have been retired in the first four months of 1939. It points out that forty officers were placed on the retired list for various reasons from January 2nd to April 30th. Of these, three were major generals, three brigadiers, five colonels, fourteen lieutenant-colonels, nine majors and the other six of lesser grades, and questions whether such a percentage is to be continued. Furthermore, La Nacion suggests that the sum of 500,000 pesos involved in the retirement salaries of these forty officers is likely to curtail other military activities which would not be necessary if these officers were kept on their jobs - except those who retired for age.

5. ITALIAN-ARGENTINE TRADE AGREEMENT.

The small exclusive group of countries with whom Argentina has no modern trade agreement was further reduced early in June when an agreement was signed with Italy establishing quotas for Argentine products totalling 460 million lire. It is to be noted that there is no barter feature in this agreement. The quotas are, in millions of lire: wheat 120, corn 51, other cereals 10, wool 75, chilled and frozen meat 55, hides 35, cotton 25, meat extracts 12, linseed and other oil seeds 30.5, etc. If there should arise a balance of more than 55 million lire unfavorable to either country, import permits may be suspended by the country affected. All permits will be at the official rate of exchange and the agreement runs to the end of 1939 but will remain in force for successive periods of one year unless notice is given at least three months before the termination of each period.

6. BUDGET SAVINGS.

The Government has advised Congress that it has taken the necessary steps to reduce expenditures for the present fiscal year by 29 million pesos and that it hopes to reduce the deficit by a total of 60 million in accordance with instructions previously received from Congress. The estimated deficit for the current year is 134 million pesos, allowing for the saving of 60 million above referred to. Much of this saving has been accomplished by not carrying out public works projects previously authorized but not started, and by not filling vacancies in the personnel of the Government service when they occur by reason of death or resignation.

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COMMENTS ON CURRENT EVENTS

July 11, 1939.

(No. 2)

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1. PETROLEUM PRODUCTION.

Argentina's share of South America's petroleum wealth, so far as it has been exploited to date, places this country creditably high among the world's petroleum producers. With a total output during 1938 of 2,714,824 cubic meters, representing an increase of over 25% in five years, Argentina assumed 11th place on the world list of 31 petroleum-producing countries. The importance of such resources to this country should be viewed in the light of the fact that in the South American continent, where coal is relatively scarce, 62% of the energy consumed in transport and industry is derived from petroleum.

2. ARMY MATERIEL.

The Argentine Army is at present pushing through Congress a measure carrying an appropriation of \$250,000,000.00 Argentine pesos to be spread over a period of five years, \$50,000,000.00 yearly, for replacements and new material for the armed forces, exclusive of purchases for the Army Air Force. At the official rate of exchange this total appropriation amounts to about \$80,000,000.00 U.S. Currency.

3. ARGENTINA AND PARAGUAY.

General José Félix Estigarribia, president-elect of Paraguay, on his return from Washington where he has served as head of the Diplomatic Mission of his country, made official visits to Brazil, Uruguay and Argentina. The Argentine Government received him as a chief of state and the public schools were given a holiday on the date of his arrival from Uruguay. President-elect Estigarribia was guest of the Nation while in Buenos Aires, and proceeded up river as far as the Paraguayan border on an Argentine gunboat placed at his disposal. While in the Argentine Capital, the President-elect signed six agreements with Argentina which affect cultural, trade and finance between the two countries. Principal among these agreements was that of fixing the frontier between the two countries along the River Pilcomayo in accordance with the Hayes Award of 1878, but which, up to the present, has been inoperative owing to the constantly changing course of the river.

4. INTERNATIONAL POLO.

The "Texas Rangers", American polo team, is coming to Argentina this year to compete in the National Championship, and to challenge for the Copa de las Américas. Charles Wrightsman directs the team. Members to make the trip probably will be: Cecil Smith, Winston Guest, Eric Pedley and Raymond Guest.

5. BUENOS AIRES MELTING POT.

One hundred and thirteen nations and colonies are represented today in the population of the city of Buenos Aires, according to latest census figures. The total population is given as 2,415,132 but as the figures were compiled two years ago the population may have increased in the meantime.

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